



Building scale in natural health and sterile ophthalmic products

INVESTOR PRESENTATION | TSX-V: LSL | SEPTEMBER 2023

Caution regarding forward-looking statements



This document may contain forward-looking statements as defined under applicable Canadian securities legislation. Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "continue" or similar expressions. Forward-looking statements are based on a number of assumptions and are subject to various known and unknown risks and uncertainties, many of which are beyond the Company's ability to control or predict, that could cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements. These risks and uncertainties include, but are not limited to, those identified in the Company's filings with Canadian securities regulatory authorities, such as legislative or regulatory developments, increased competition, technological change and general economic conditions. All forward-looking statements made herein should be read in conjunction with such documents.

Readers are cautioned not to place undue reliance on forward-looking statements. No assurance can be given that any of the events mentioned in the forward-looking statements will occur, and if any of them do occur, the Company's actual results, performance or achievements may differ materially from those expressed or implied by the forward-looking statements. All forward-looking statements contained herein are made as of the date of this document. The Company does not undertake to update these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

LSL Pharma Investment Opportunity



Immediate need to address lack of local production capacity and supply shortages due to post-covid supply chain issues



Sticky long-term customer relationships due to high switching costs and long ramp-up periods



Established **high-margin** business with **substantial economies of scale** at increased production levels



Forecasting **40% organic revenue CAGR from 2022 to 2025** from production expansion at both manufacturing plants



Opportunity to **consolidate fragmented Canadian CDMO market** for niche products

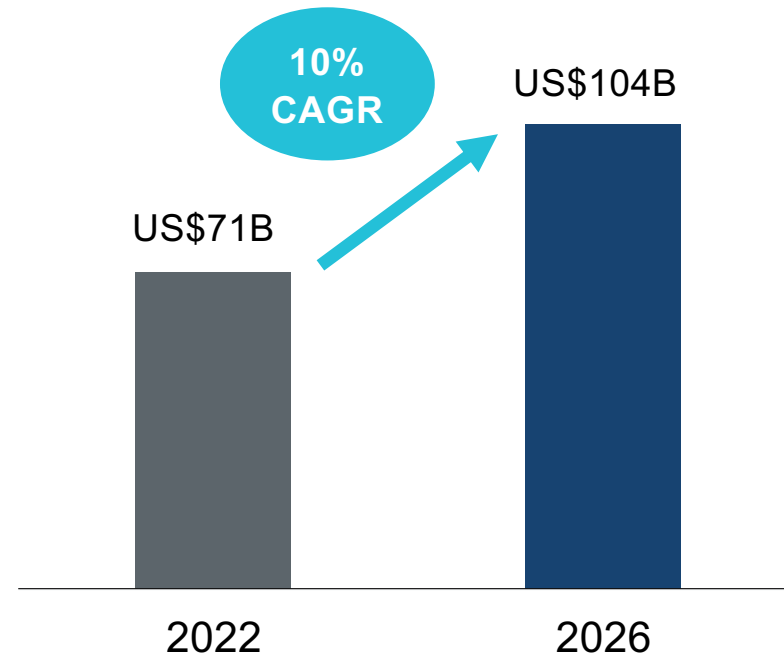
The Market Opportunity



North American CDMO Market

- Global trend in pharmaceutical industry to focus on developing new products while **outsourcing production function to CDMOs**
- Canadian CDMO industry is comprised of large manufacturers focused on high-volume products and smaller manufacturers focused on low-volume niche products

➤ The niche manufacturing segment is fragmented and consists primarily of family-owned businesses in need of **generational changeover and consolidation**



About LSL Pharma Group



LSL Pharma Group is a leading Canadian contract development and manufacturing organization (“**CDMO**”) that specializes in the development, manufacturing, and distribution of natural health products, dietary supplements, and sterile ophthalmic pharmaceutical products



- **Natural health products (“NHP”)** and dietary supplements in solid dosage form for private label customers and as a CDMO for generic pharmaceutical companies
 - New 22,000 SF manufacturing plant in La Pocatière, QC
 - \$6.75M 2023 forecasted revenue
 - ~25% gross margin



- **Sterile ophthalmic products**, ointments and eye drops for its own brand, private label and also as a CDMO
 - 26,000 SF manufacturing plant in Upton, QC
 - \$4.25M 2023 forecasted revenue
 - ~50% gross margin

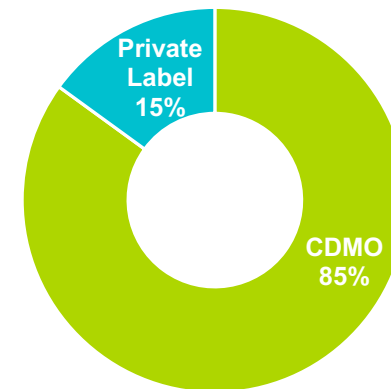


Laboratoire LSL – Natural Health Products



- CDMO & Private Labels for more than 25 years
- Expertise in the formulation and development of delayed release tablets and complex coating
- 150+ different products manufactured to date
- Strong sales distribution in Quebec, with expansion potential for rest of Canada
- New 22,000 SF manufacturing plant

LSL Revenue Segmentation



Select Key Products

CDMO



Private Label



Laboratoire LSL – Natural Health Products (cont'd)

Growth Opportunities

- 1 New manufacturing plant provides significant production capacity and economies of scale
- 2 Addition of a drug license for the packaging of solid dosage DIN¹ products
- 3 New CDMO contracts and acquisition opportunities

1. Drug Identification Number

New Manufacturing Plant



Steri-Med – Sterile Pharmaceutical Products



- Formulation, development and manufacturing of sterile ophthalmic ointments and eye drops for human and veterinary use
- **High demand, high margin** products with strong domestic and international demand
- **One of few sterile manufacturing plants offering CDMO capacity** in North America
- 26,000 SF sterile manufacturing facility with significant room for expansion
- U.S. FDA approval in process

Steri-Med Revenue Segmentation



- Near-term CDMO opportunities
- New products added to the portfolio, including veterinary

Key Products



Steri-Med – Sterile Pharmaceutical Products (cont'd)

Growth Opportunities

- 1 Optimization of current ointment manufacturing line will double production capacity by early 2024
- 2 Addition of new fully funded ointment line will increase production capacity by >500% by 2025
- 3 CDMO partnerships and development of new niche generic products (OTC and prescription)

Sterile Manufacturing Plant



Consolidating Canadian CDMO Market Through M&A



Acquisition Criteria

Revenue Potential

- Companies with revenue between \$2M-\$20M or niche products with \$250K+ sales potential

Development Stage

- Products that can be commercialized quickly or complementary to CDMO business

Price

- Pay right price based on profitability and must be accretive to the bottom line

Market Differentiation

- Companies or products with advantageous market positioning

Integration

- Products must be marketable through existing LSL marketing channels and have clear prospects for short-term profitability and growth

Capital Structure



- Listed on the TSX-V in February 2023 via RTO

LSL Pharma Group

Share Price (TSXV: LSL) \$0.47

Shares Outstanding 82,433,578

Basic Market Capitalization \$38,743,782

*Warrants / Options*¹ 47,449,107

Fully Diluted Shares Outstanding 129,882,685

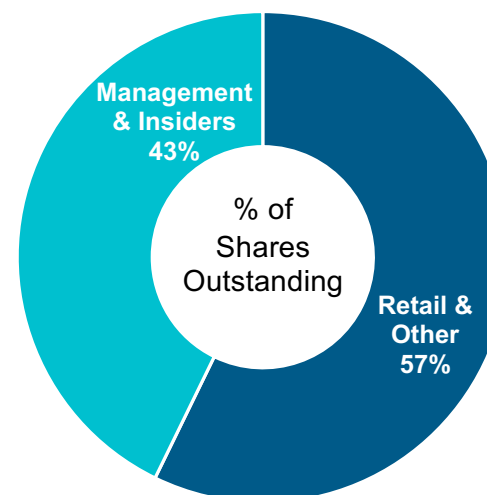
Cash \$513,636

Debt \$7,743,709

Lease Obligations \$2,624,421

Net Debt \$9,854,494

Ownership Distribution



Note: Capital structure as at September 20, 2023

1. Includes 33,606,000 subscription rights at \$0.70 expiring June 2024 | 6,000,000 management options at \$0.70 expiring February 2033 | 7,172,289 warrants at \$1.00 expiring in August 2024 | 670,818 broker warrants at \$0.70 expiring August 2024

Management Team



François Roberge – President & CEO

- CPA with 30+ years of experience in finance and M&A in pharmaceutical and other businesses
- Previously EVP & CFO at Jamp Pharma for 8 years
- Experienced leader with expertise in manufacturing and marketing of pharmaceutical products



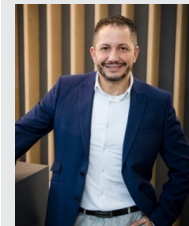
Sylvie Laplante – Corporate Quality Director

- 25+ years of experience in the pharmaceutical and food industry, mainly in development and commercial production
- Expertise in quality and cGMP compliance, GMP manufacturing, implementation or improvement of quality and compliance systems, compliance audits and regulatory inspections (FDA, WHO, EMEA, Health Canada)



Francis Chenard, Senior VP and COO

- 25+ years of experience in business development and research and development in the pharmaceutical, natural health products and food sectors
- Joined LSL in January 2022



Sofiane Attal – Plant & Operations Director

- 12 years of experience in production management in the pharmaceutical industry
- Previously worked for Biopharm and the multinational GlaxoSmithKline, holding positions as production manager, continuous improvement and corporate culture leader



Nathalie Toutant – VP Scientific Affairs

- 30+ years of experience in the pharmaceutical industry
- Previously Head of the Department of Scientific Affairs for a generic pharma company and responsible for identifying opportunities (products and partners), strategic planning and the development of generic products

Board of Directors



François Roberge – Chairman, President & CEO¹

- CPA with 30+ years of experience in finance, M&A in pharmaceutical and other businesses
- Previously EVP & CFO at Jamp Pharma for 8 years
- Experienced leader with expertise in manufacturing and marketing of pharmaceutical products

Frank J. DellaFera – Director

- Founder, President and CEO of Fera Pharmaceuticals, a US based specialty pharmaceutical company focused in eyecare
- Previously CEO and President of Sandoz US, one of the world's largest and most successful generic pharmaceutical companies

Luc Mainville – Director¹

- Senior VP and CFO of Valeo Pharma Inc.
- Previously served as Interim CEO at Acerus Pharmaceuticals Corp., EVP at Cardiome Pharma Corp., President and CEO at Neopharm Labs Inc. and LAB Research Inc., and Vice-Chairman of BIOTECanada

Sylvain Aird – Director²

- Lawyer with 25 years of legal counsel experience, including 14 years with Boralex Inc., a public renewable energy company with operations in North America and Europe
- Currently working in securities law for the firm Langlois Lawyers and sits on the board of directors of Terranueva Corporation and Geekco Technologies Corporation, and is Chairman of the Board of SOPFIM

Pierre B. Lafrenière – Director¹

- Managing partner and EVP at Oaklins E. Canada
- Has been involved with companies such as Domtar, Rio Tinto Alcan, Lassonde Group, Airex Energy, Bombardier and Bell Helicopter, and has been part of the creation of several investment funds, such as Teralys Capital and Cycle Capital

Alain Larochelle – Director²

- Director of Iledor since 2010
- VP at L.S.M. (LSM Ambiocréateurs), a private company offering expertise in sound, lighting, video and new media solutions both nationally and internationally

¹ Audit Committee members

² Governance Committee members